S0465-1A

LABOR MARKET INFORMATION

# NEWSLETTER

**Vol. XV No. 1**
**January 1991**

## Unemployment Rate

Seasonally Adjusted
November *

| | | |
|---|---|---|
| ARIZONA | – | 5.5% |
| Maricopa Co. | – | 4.4 |
| Pima Co. | – | 4.0 |
| United States | – | 5.9 |

## Consumer Price Index

U.S. – November 1990
Base = 1982-84

| | | |
|---|---|---|
| Wage Earner/Clerical Worker | – | 132.2 |
| % Chg. Year Ago | – | 6.3 |
| All Urban | – | 133.8 |
| % Chg. Year Ago | – | 6.3 |

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Phoenix – 4th Qtr 1990
Base = 1982-84

| | | |
|---|---|---|
| All Urban | – | 135.3 |
| % Chg. Year Ago | – | 5.9 |

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Tucson – 4th Qtr 1990
Base = 1982-84

| | | |
|---|---|---|
| All Urban | – | 133.8 |
| % Chg. Year Ago | – | 3.9 |

*Preliminary

## *Breaking Free From*

***Arizona Joins Nation in Implementing Legislation Aimed at Eliminating Barriers to Employment for Country's Poorest***

**Inside This Issue** **Page**

JOBS Program Offers Chance for Self-Sufficiency ..... 2
Utah, Wisconsin Programs Prove Successful ..... 5
The Arizona Labor Force in October ..... 7
Arizona Labor Force Statistics ..... 8
New Developments ..... 14

**Arizona Department of Economic Security**
**— Moving People Toward Self-Sufficiency**

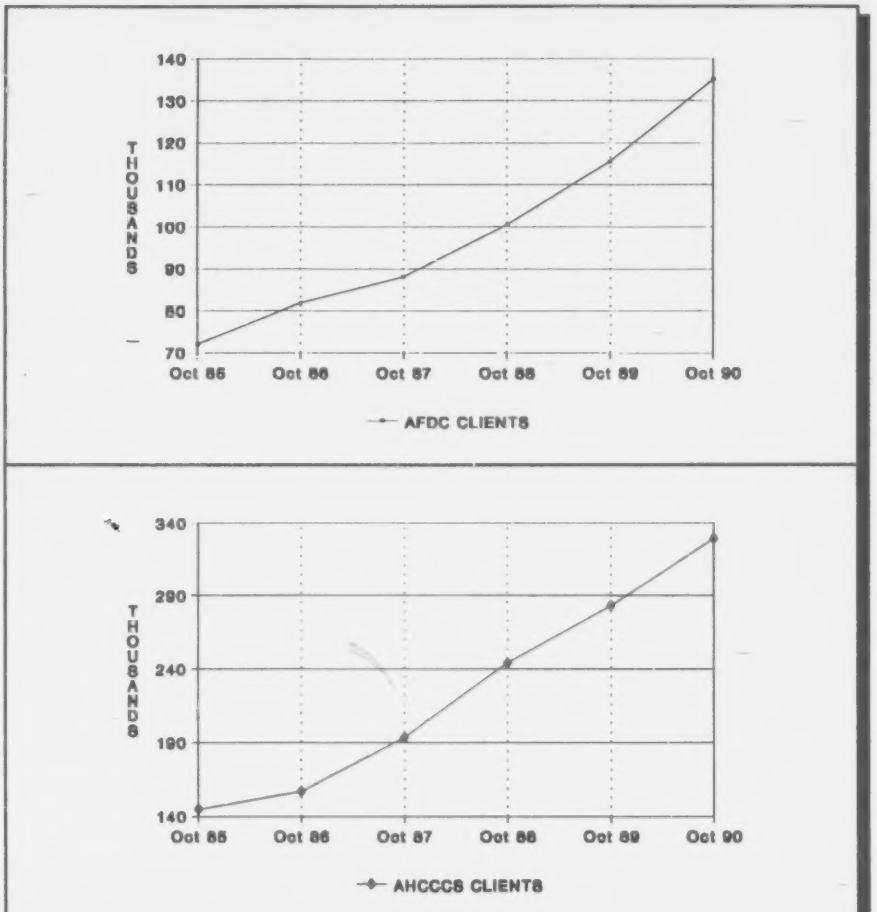
# JOBS Program Offers AFDC Clients Chance to Become Self-Sufficient

In recent years, Arizona's two most widely used welfare programs — Aid to Families with Dependent Children (AFDC) and the Arizona Health Cost Containment System AHCCCS) — have been growing at alarming rates and consuming larger and larger chunks of the state's annual budget. However, if recently started welfare-reform legislation — designed to move persons from the welfare rolls to the payrolls — is successful, there may be a good chance of slowing down those programs' expansive appetites.

For the 12 months ending in September, among all states, Arizona had the third-fastest growing AFDC caseload at 23 percent,[1] double the state's 11.5 percent increase in fiscal year (FY) 1988 (July 1, 1988-June 30, 1989) and a little less than the projected increase for FY 1990.[2] Meanwhile AHCCCS, the state's Medicaid program, has been growing even faster. In the past three years ending December 1, the number of AHCCCS enrollees has more than doubled, going from 159,227 to 340,000.[3]

Although the federal government picks up about one-half of the state's tab for welfare programs, the amount of Arizona dollars spent on these programs is beginning to sound like national numbers. For example, if current projections for FY 1991 are correct, the state's annual AHCCCS costs will have increased five-fold in the past five years to about $580 million — about one-sixth of Arizona's $3.3 billion budget for FY '91.[4] That dramatic jump will have occurred despite the fact that the federal government has increased its share of AHCCCS funding in Arizona from 25.6 percent in FY 1986 to 47.9 percent in FY 1991, while the state slightly decreased its share from 51.5 percent to 46.9 percent.[5] (Counties, which also pay a portion of the costs, have seen their share drop from 22.9 percent to 5.2 percent in that time period.[6])

**Figure 1. Average Number of AFDC and AHCCCS Clients in Arizona in October, 1985-1990**



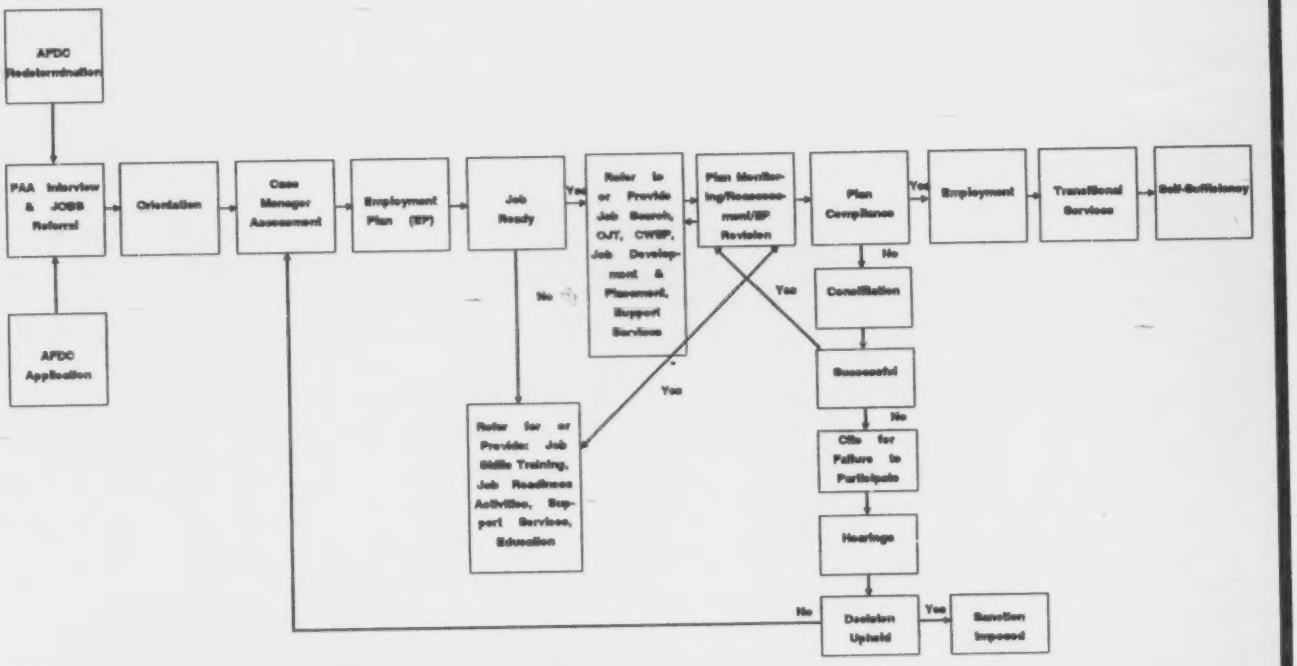

*Sources: Arizona Department of Economic Security, Family Support Administration, December 1990; Arizona Health Cost Containment System, December 1990*

Part of the rapid growth in Arizona's welfare population can be attributed to the state following a national trend of reaching out to the poor and enrolling them in several programs at one time.[7] In Arizona, for instance, once someone qualifies for AFDC they automatically are made eligible for other federal and state welfare programs (e.g., AHCCCS, food stamps), says Rob Roberts, a public information officer for AHCCCS.

Other reasons for the state's dramatic jump in welfare clients can be attributed to large in-migration — particularly by young families — during the past decade, the recent increase in new immigrants due to the passage of the 1986 Immigration Reform and Control Act, and the broadening of health care programs' client base to include such groups as pregnant women, infants, and the working poor.[8] And with a less-than-energetic Arizona economy, the short-term outlook for the state's welfare rolls (and thus the state's budget) doesn't look much brighter.

But at a time when prospects look dim for reversing this trend, a recently enacted piece of federal legislation — the Family Support Act of 1988 — offers one reason for optimism and possibly the best chance of helping AFDC recipients become self-sufficient. "The Family Support Act commits the federal government for the first time to the provision of increasing levels of

**Figure 2. Single-Parent JOBS Flowchart**




*Source: Arizona Department of Economic Security, September 1990*

funding for education, training, and employment programs for AFDC recipients, as well as for the support services necessary to enable recipients to participate in these activities," says a report presented by a coalition of public-interest groups.[9]

One part of the bill that has been in effect for more than a year and has received wide media attention in Arizona requires states to strengthen enforcement for collection of child support. Another provision, which went into effect in Arizona on October 1, is the Job Opportunities and Basic Skills (JOBS) program, a state-mandated, welfare-to-work program that provides new incentives and enforcement strategies for getting AFDC clients back into the work force.

### JOBS Replaces WIN

The JOBS program replaced federally funded Work Incentive (WIN) programs and consolidated other welfare-to-work provisions in federal law. Started in 1967, WIN began addressing the sticky budget and social issues of a growing welfare population by requiring most AFDC recipients with children under 6 to participate in employment and training programs. But "because of limited and, in fact, declining federal financing, relatively few AFDC recipients received substantial help in securing employment through WIN in recent years," says the public-interest group coalition.[10]

What distinguishes JOBS from WIN is that the new program: increases annual federal funding about 10-fold to about $1 billion a year,[11] targets specific at-risk populations and sets minimum requirements for education and participation; guarantees funding for support services — such as child and health care — while in training and after attaining employment; provides sanctions for those required to participate who refuse or drop out of the program; and allows two-parent households with ties to the work force to participate in JOBS and receive AFDC.[12] Also, the JOBS program allows states flexibility in setting standards for its program and in coordinating JOBS with existing education and training programs, such as the Job Training and Partnership Act (JTPA).[13]

Probably the two key components of JOBS are increased funding and the guaranteeing of support services, such as health and child care, says an official with the Department of Economic Security's Family Investment Initiative (FII), which is overseeing the state's JOBS program. "Services provided (by JOBS) are more intense services (than in the WIN program)" and that will help AFDC clients "to remain stable enough to have the ability to remain employed," says Greg Wetz, a FII project administrator. "(WIN) was based on placement. Now we're giving more case management."

Arizona's JOBS program, which will have maximum funding of up to $22 million in state FY '91,[14] is based and will use many of the coordination features of the state's welfare-to-work predecessor, a model WIN program called Arizona Works!. An outgrowth of state welfare-reform legisla-

tion passed in 1985, Arizona Works! was implemented at several sites in the state and coordinated resources among social service, education, and employment/training agencies at state and local levels.[15]

A former official with Arizona Works! says the program attained limited success with limited resources and fewer support services. Gloria Young, now an executive consultant for the Department of Economic Security's Employment and Training Administration, says Arizona Works! targeted about 25 percent of the state's AFDC enrollees as potential Arizona Works! participants, but only a small percentage went into JTPA education and training programs.

Under JOBS, however, the state will have the resources (and be required) to enroll a much higher percentage of AFDC clients into education and training programs and for longer periods of time. "With a person who has never worked before ... we no longer have the WIN restraint of getting them in and out of the program within a year," says Ruby Smalls, policy administrator for Arizona's JOBS program.

Like many states, Arizona's JOBS program is divided into two major areas — single-parent and two-parent — that *must* include several features for most of its clients: educational activities, including high school or equivalent education, and basic and remedial education for literacy and language proficiency purposes; jobs skills training; job readiness activities; job development and placement; and support services. Also, JOBS programs *must* include *at least two* of the following: group and individual job search; on the job training; work supplementation programs (where AFDC payments are diverted to subsidize job opportunities); and community work experience.

Where states' JOBS plans begin to differ is within each program area, because the Family Support Act allows each state to make numerous choices concerning: funding, availability and time of implementation, exemptions, educational standards, and coordination of activities.[16] By far, the most significant choices Arizona made were motivated by funding and resource-availability considerations, the work-ethic philosophy of the state, and recommendations from the "Governor's Task Force Report on Welfare Reform (January 1989," say several state officials.

> *"The dream to be off welfare is a typical dream of an AFDC recipient. If they believe they will actually go to work, you'll get a lot of volunteers."*
>
> *—Ruby Smalls, Policy Administrator, Arizona JOBS Program*

Two of those choices concerned time and area of implementation. The single-parent program — which will stress more education and job training than the two-parent program — is currently available in Maricopa and Pima counties and will be phased in statewide over the next two years, while the two-parent program has been available statewide since October 1. Also, in some rural areas where education and training facilities may be lacking, a more limited JOBS program may be offered. (Individuals in those areas, however, may be able to go out of their area for certain JOBS components, says Manny Mejia, DES Assistant Director, Division of Employment and Rehabilitative Services.)

Two other important options the state selected limit the time — six months in a year — an unemployed, two-parent family in JOBS can receive AFDC and require both parents to participate in JOBS, unless one is granted an exemption for good cause (e.g., age of child, illness). Both options are expected to encourage workers to move back into the work force as quickly as possible and save the state resources.

By limiting the time two-parent families can receive AFDC, the state wanted to make a distinction between the single- and two-parent programs, Wetz says. "It (the two-parent program) is a work program rather than an entitlement program," he says. "It's more intense and leads to quicker results for that particular population."

**Single-Parent Program**

All single-parent, adult AFDC recipients (age 16 and over) who are not caring for a child under 3 years old, or who are not otherwise exempt, are required to participate in some part of JOBS (e.g., education, skills training) as long as necessary child care is provided. AFDC clients with children under 6 will not be required to participate more than 20 hours per week, unless they are engaged in basic educational activities.

Single parents who are exempted from JOBS, however, can volunteer for the JOBS program and will be given priority in participating in JOBS over mandatory participants. Non-exempt individuals who refuse to participate or drop out of the program could be subject to sanctions, such as a loss of AFDC benefits.

Of the mandatory clients, some of the targeted groups include:

- parents under age 24 who have not completed and are not enrolled in high school or its equivalent.
- parents under age 24 who have little or no work experience.
- individuals who have received public assistance for at least 36 of the last 60 months.
- members of a family who will lose AFDC eligibility within two years because the youngest child, by virtue of age, will no longer qualify as a "dependent child."

One of the major requirements of the single-parent program is that some form of education must be offered to anyone who lacked a high school diploma or the equivalent. Specific groups to be targeted in Arizona are:

- adolescent parents of school-age (16- and 17-year-olds).
- young parents just beyond traditional

## *Success of Utah, Wisconsin Programs Should Be Good Omen for JOBS*

Although taking a somewhat different approach, officials in Utah and Wisconsin believe their states are doing something right — and so do others — when it comes to welfare-to-work legislation.

And for good reason. Welfare-reform programs started by those states in the mid-1980s have been able to make a dent in their single- and two-parent households receiving Aid to Families with Dependent Children (AFDC), the country's largest welfare program.

Because of that success, many of the features of those state's programs were either included in some form in the Job Opportunities and Basic Skills (JOBS) program, created as part of the Family Support Act of 1988 (FSA), or have been adopted as optional components by states' JOBS programs.

Wisconsin Gov. Tommy Thompson ran on a platform of welfare reform in 1986, believing that welfare-to-work programs available at the time "didn't offer people opportunities to get an education and get a job," says Silvia Jackson, administrator of Wisconsin's Division of Economic Support (the counterpart to Arizona's Department of Economic Security). Subsequently, Jackson says, "Wisconsin secured a series of waivers from the federal government and put forth a program that now serves as a model for FSA."

Among some of the innovative features of Wisconsin's program were: lowering the age (from 6 to 2) a child can exempt welfare clients from having to enroll in a work program; extending the period for an earned income disregard — income that is excluded from taxes — from four months to 1 year; providing medical assistance for 12 months after a person in a program becomes employed; and suspending benefits if welfare children between the ages of 13 and 18 have too many unexcused absences from school.

In the first three years of operation (January 1987-December 1989), Wisconsin's welfare-to-work program (now JOBS) had a 19 percent drop in its AFDC caseload — from nearly 98,000 to about 79,000, Jackson says. And Wisconsin was the only state in the past 12 months ending in September, to have its AFDC caseload decrease (-2.1 percent), *The Associated Press* recently reported.[1]

In its four years of operation, Wisconsin's program has already met or exceeded all of the future federal participation and geographic requirements of JOBS (see "JOBS Program Offers ... ," p. 2), Jackson says. As of September, the state had fully implemented its single- and two-parent programs in all 72 of its counties, and about 58 percent (45,000) of Wisconsin's adult AFDC recipients were enrolled in JOBS programs.

Jackson credits the success of her state's program to a commitment to funding (currently about $42 million annually, excluding another $9 million for transitional child care) and offering a comprehensive program to both single- and two-parent families. "You have to invest in employment and training programs," Jackson says.

Utah, meanwhile, has been a pioneer in developing a time-limited, welfare-to-work program for unemployed, two-parent families. And partly because of its success, a time-limited, two-parent program is offered to states as an optional component of JOBS. (Arizona chose this option.)

In January 1983, when Utah began its Emergency Work Program, it was looking for a way to get the primary wage earner of an unemployed, two-parent family back into the work force as quickly as possible with the least amount of cost. At the time, Utah was coming out of a recession and had a limited amount of resources, but also recognized the "problems faced by unemployed, two-parent families with dependent children."[2] (Utah had discontinued an unemployed, two-parent program in

*(Continued on page 6)*

school age (18- and 19-year-olds) who have not completed high school or its equivalent.

- parents over age 20 who lack a high school diploma, to the extent they are required to participate in the JOBS program.

**Two-Parent Employment Program**

As required by the Family Support Act, Arizona will provide AFDC benefits and offer the JOBS program to unemployed, two-parent families if they meet income and resource requirements and the primary wage earner has had specified, recent ties to the work force. In addition, the state has selected two optional features that will limit the time two-parent families can receive welfare payments and require both parents to participate in the JOBS program.

Arizona's Two-Parent Employment Program is patterned after the Utah Emergency Work Program, enacted in 1983 as a way to help unemployed, two-parent families become self-sufficient while using limited state resources.[17] The Utah Legislature's "primary focus was on developing a time-limited, work-oriented program that would require job search and enhance participating in the regular labor market," says a University of Utah report.[18]

Gene Hofeling, an eligibility coordinator for the Office of Family Support within Utah's Department of Human Services, says his state's program has been "very successful" in getting the primary breadwinner of unemployed, two-parent families back into the work force quickly

*(Continued from page 5)*
1981 because of a sharp increase in AFDC caseloads and questionable success.[3])

Key requirements of Utah's program included:

- that the primary wage earner do a minimum of 32 hours a week of community work or adult education/training, and eight hours a week of job search.
- that the principal wage earner's spouse enroll with a Job Training Partnership Act (JTPA) program and perform job search or engage in adult education/training unless exempted for good cause (e.g., age of child, illness).
- benefit payments only be made after the family meets performance requirements.
- limiting assistance to six months in a 12-month period.

In terms of getting two-parent program participants into the work force and reducing state costs, Utah's program has been extremely successful, according to two University of Utah reports.

A 1987 study found that the average length of stay on AFDC for two-parent families dropped from 10 months in 1980 and '81 — when Utah had a two-parent program without a time limit — to 10 weeks between 1984 and 1987 when the time-limited option was in effect.[4] (It should be noted that the country was in a recession in 1980 and '81 and was expanding between 1984 and '87.)

The study also found that: 69 percent of people who entered the program found employment by the end of the six-month period, and 90 percent of those remained employed after three months; the mean hourly wage of those employed was $6.81 an hour; and because of the program's success, there was a reduction in the break-up of families.

As a result of the program, the study says "the cost of providing employment and job assistance was only about one-tenth of the Work Incentive Program (WIN) costs," due to time-limited benefits, clear performance requirements, payment after performance, and utilization of JTPA resources.[5]

A follow-up study between May 1989 and June 1990 showed slightly less impressive — but still positive — results. The study found that after the six-month benefit period ended, 53 percent of the people were employed and at an average median wage of $5 an hour.[6]

Gene Hofeling, an eligibility coordinator in the Office of Family Support within Utah's Department of Human Resources, says the results of the studies lead to two major conclusions. One, that with the time-limited option, participants "found jobs at higher wages than they would otherwise have found," he says. Also, the reduction in the AFDC caseload "supports the contention that when somebody is faced between a real job and assistance, they prefer the real job because of its ties to the work force," Hofeling says.

*—Brent Fine*
*Arizona LMI Newsletter Editor*

**Notes:**

1. "Welfare demand here soars," story by *The Associated Press* printed in *Tucson Citizen*, Nov. 30, 1990.
2. "Emergency Welfare Work and Employment: An Independent Evaluation of Utah's Emergency Work Program, Third Year Executive Summary," The Social Research Institute, Graduate School of Social Work, University of Utah, Frederick V. Janzen, Ph.D. and Patrick M. Cunningham, M.S.W., December 1987, p. 1.
3. Ibid.
4. Ibid, p. 6.
5. Ibid, p. 4.
6. "Utah Emergency Work Program Specialized Job Placement Study," The Social Research Institute, Graduate School of Social Work, University of Utah, September 1990.

and has dramatically reduced AFDC caseloads and costs. Hofeling cites a University of Utah study that shows the average stay on AFDC for unemployed, two-parent families dropped by about 75 percent when Utah went from a program without time limits to one with the time-limited option. (see "Success of Utah ...," p. 5).[19]

Following are some of the major provisions of Arizona's Two-Parent Employment Program:

- to participate, the principal wage earner must 1) be currently unemployed and have been employed less than 100 hours in the past 30 days, and 2) have worked at least six out of the last 13 quarters within one year of application for AFDC.
- the principal wage earner must apply for unemployment compensation and not have recently refused an offer of employment or training.
- receipt of cash benefits will be time-limited to no more than six out of 12 months.
- AFDC payments are made only after the family meets performance requirements.
- both parents must participate in JOBS programs, unless one has been exempted (e.g., age of child, illness).
- families will be eligible for AHCCCS, even in months they receive no cash benefits, as long as they continue to meet AFDC eligibility requirements.
- although JOBS participants are only eligible for six months of AFDC benefits in a year, they will be allowed

*(Continued on page 12)*

# The Arizona Labor Force in November

Data indicating a weakening economy began showing up in Arizona's labor force statistics in November. While the state's unemployment rate in October was still dropping as the nation's was rising, Arizona's rate in November, 5.5 percent, began catching up with the national rate, which rose from 5.7 percent to 5.9 percent.

The magnitude of change in Arizona's rate was substantial, rising 0.8 of a point from 4.7 percent in October. Arizona's metropolitan counties showed similar increases. Maricopa County's rate rose to 4.4 percent from 3.7 percent, and Pima County's climbed to 4.0 percent from 3.6 percent. Twelve of the 13 non-metropolitan counties also had higher rates in November. Mohave County's rate held steady at 6.0 percent.

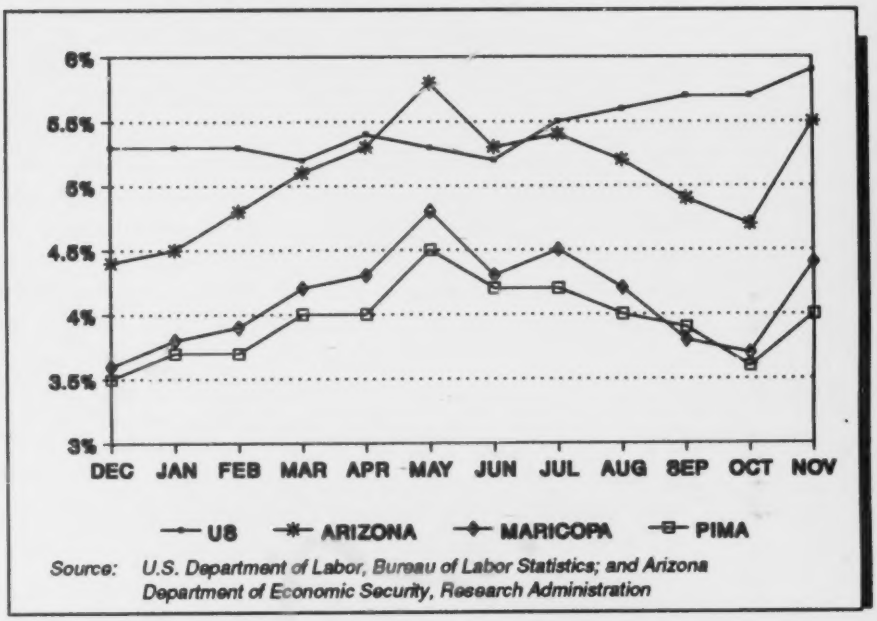
The reason for the sharp rise in the Arizona jobless rate was that unemployment climbed by 8,800 as total employment sank by 36,500. These directions of change are exactly opposite to normal seasonal trends. Not even in the last three recessionary years (1975, 1980, and 1982) has total employment declined in November, although it did decline by 12,900 in 1984. In addition, it is seasonally normal for unemployment to shrink by 2,600 in November.

Explaining the large decline in total employment in November is complicated by the fact that the number of payroll jobs increased 9,400. The implication is that job losses have primarily been among self-employed, unpaid family workers, domestics, or agricultural workers.

### Retail Trade Racked Up Gains

The one industry most responsible for the growth of payroll jobs was retail trade. It enjoyed normal November growth of 2.3 percent (6,800 jobs). Better-than-seasonal growth might have been expected given the number of new stores that have opened this season.

**Figure 1. U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, December 1989-November 1990**




*Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration*

Government also contributed to the overall growth, adding 3,700 jobs, about a thousand more than seasonally average. Government growth was primarily among schools and other non-federal government. A large portion of these jobs were related to employment at the state fair.

### Transportation Hits All-Time High

The transportation industry was back on the fast track in November, posting twice-normal seasonal gains, but it, too, may have been just catching up after a weak showing in October. Transportation added 800 jobs, achieving a record 47,000 employed in the industry.

Services contributed to November payroll employment growth, too, but by weak amounts relative to historical standards. Services added 800 jobs, only one-third of the November average since 1982. Weakness was evident in all three identified components of services: hotels and lodging places, business services, and health services. .

### Construction, Manufacturing Weak

October's more-than-seasonal strength in manufacturing and construction turned to more-than-seasonal weakness in November. After gaining 500 jobs in October, manufacturing lost 1,100 in November. The greater portion of these losses were in machinery manufacturing, and printing and publishing. Construction's minor 300 loss in October was followed by a 2,500 hemorrhage in November. Delayed seasonal losses and simultaneous completion of several major projects accounted for the decline.

Finance, insurance, and real estate added a seasonally weak 100 last month — not an unusual circumstance given construction's large decline. Despite recent publicity announcing layoffs by public utility companies, communications and public utilities only lost 100 jobs in November. Continuing losses can be expected in the months ahead.

In summary, November may mark the turn in Arizona's economic fortune's relative to the nation's. No longer is the state diverging from the national trend of downward employment and rising unemployment. Rather, Arizona appears to be falling in line with the rest of the country.

*—Ron Simon*
*RA Economic Analysis Manager*

# Arizona Labor Force and Employment

## November 1990 (in Thousands)

| | ARIZONA | | | | | MARICOPA COUNTY | | | | | PIMA COUNTY | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Amount | Change | | | | Amount | Change | | | | Amount | Change |
| | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Oct. - Nov. | 1989 - 1990 | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Oct. - Nov. | 1989 - 1990 | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Oct. - Nov. | 1989 - 1990 |
| **TOTAL CIVILIAN LABOR FORCE**** | 1724.7 | 1752.4 | 1704.4 | -27.7 | +20.3 | 1066.7 | 1083.7 | 1057.5 | -17.0 | +9.2 | 311.5 | 318.5 | 312.4 | -7.0 | -0.9 |
| **Total Unemployment** | 90.4 | 81.6 | 73.5 | +8.8 | +16.9 | 45.3 | 41.2 | 38.5 | +4.1 | +6.8 | 12.3 | 11.5 | 11.2 | +0.8 | +1.1 |
| **Rate** | 5.2 | 4.7 | 4.3 | — | — | 4.2 | 3.8 | 3.6 | — | — | 3.9 | 3.6 | 3.6 | — | — |
| **Rate (Sea. Adj.)***** | 5.5 | 4.7 | 4.5 | — | — | 4.4 | 3.7 | 3.7 | — | — | 4.0 | 3.6 | 3.7 | — | — |
| **Total Employment** | 1634.3 | 1670.8 | 1630.9 | -36.5 | +3.4 | 1021.4 | 1042.5 | 1019.0 | -21.1 | +2.4 | 299.2 | 307.0 | 301.2 | -7.8 | -2.0 |

**Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.**

## NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **TOTAL WAGE AND SALARY** | 1537.5 | 1528.1 | 1496.8 | +9.4 | +40.7 | 1015.9 | 1008.8 | 988.5 | +7.1 | +27.4 | 259.7 | 258.5 | 255.1 | +1.2 | +4.6 |
| **Manufacturing** | 187.6 | 188.7 | 188.5 | -1.1 | -0.9 | 138.3 | 139.2 | 139.9 | -0.9 | -1.6 | 27.0 | 27.1 | 27.3 | -0.1 | -0.3 |
| Durable Goods | 141.2 | 141.9 | 142.7 | -0.7 | -1.5 | 105.6 | 106.3 | 107.0 | -0.7 | -1.4 | 21.4 | 21.5 | 21.9 | -0.1 | -0.5 |
| Stone, Clay, and Glass | 7.2 | 7.3 | 7.6 | -0.1 | -0.4 | 4.2 | 4.4 | 4.6 | -0.2 | -0.4 | | | | | |
| Primary and Fabricated Metals | 15.7 | 15.8 | 15.8 | -0.1 | -0.1 | 10.6 | 10.6 | 10.7 | 0.0 | -0.1 | | | | | |
| Primary Metals | 7.7 | 7.8 | 7.7 | -0.1 | 0.0 | | | | | | | | | | |
| Fabricated Metals | 8.0 | 8.0 | 8.1 | 0.0 | -0.1 | | | | | | | | | | |
| Machinery | 57.6 | 58.1 | 59.8 | -0.5 | -2.2 | 47.0 | 47.5 | 49.2 | -0.5 | -2.2 | | | | | |
| Aircraft and Missiles | 27.4 | 27.4 | 26.2 | 0.0 | +1.2 | | | | | | | | | | |
| Lumber and Wood Products (Excluding Furniture) | 7.8 | 7.9 | 7.6 | -0.1 | +0.2 | | | | | | | | | | |
| Nondurable Goods | 46.4 | 46.8 | 45.8 | -0.4 | +0.6 | 32.7 | 32.9 | 32.9 | -0.2 | -0.2 | 5.6 | 5.6 | 5.4 | 0.0 | +0.2 |
| Food and Kindred Products | 10.5 | 10.6 | 9.8 | -0.1 | +0.7 | 7.0 | 6.9 | 6.6 | +0.1 | +0.4 | | | | | |
| Printing and Publishing | 17.0 | 17.2 | 16.7 | -0.2 | +0.3 | 12.1 | 12.4 | 12.1 | -0.3 | 0.0 | | | | | |
| **Mining and Quarrying** | 12.7 | 12.7 | 12.3 | 0.0 | +0.4 | 0.8 | 0.9 | 1.0 | -0.1 | -0.2 | 2.3 | 2.3 | 2.1 | 0.0 | +0.2 |
| Copper Mining | 9.8 | 9.8 | 9.4 | 0.0 | +0.4 | | | | | | | | | | |
| **Construction** | 82.3 | 84.8 | 85.3 | -2.5 | -3.0 | 54.6 | 56.5 | 57.0 | -1.9 | -2.4 | 14.5 | 14.8 | 14.8 | -0.3 | -0.3 |
| **Trans., Communications, & Public Utilities** | 82.0 | 81.3 | 78.4 | +0.7 | +3.6 | 58.2 | 57.6 | 55.0 | +0.6 | +3.2 | 9.7 | 9.8 | 9.6 | -0.1 | +0.1 |
| Transportation | 47.0 | 46.2 | 43.1 | +0.8 | +3.9 | 35.6 | 34.9 | 32.3 | +0.7 | +3.3 | 5.0 | 5.1 | 4.9 | -0.1 | +0.1 |
| Communications and Public Utilities | 35.0 | 35.1 | 35.3 | -0.1 | -0.3 | 22.6 | 22.7 | 22.7 | -0.1 | -0.1 | 4.7 | 4.7 | 4.7 | 0.0 | 0.0 |
| **Trade** | 388.1 | 380.4 | 377.7 | +7.7 | +10.4 | 263.9 | 257.5 | 255.0 | +6.4 | +8.9 | 60.6 | 60.1 | 60.3 | +0.5 | +0.3 |
| Wholesale Trade | 79.6 | 78.7 | 77.2 | +0.9 | +2.4 | 63.9 | 63.4 | 61.8 | +0.5 | +2.1 | 7.8 | 7.8 | 7.8 | 0.0 | 0.0 |
| Retail Trade | 308.5 | 301.7 | 300.5 | +6.8 | +8.0 | 200.0 | 194.1 | 193.2 | +5.9 | +6.8 | 52.8 | 52.3 | 52.5 | +0.5 | +0.3 |
| General Merchandise and Apparel | 50.3 | 47.4 | 47.8 | +2.9 | +2.5 | 31.9 | 29.9 | 30.0 | +2.0 | +1.9 | 7.4 | 7.0 | 7.2 | +0.4 | +0.2 |
| Food Stores | 49.8 | 48.8 | 50.8 | +1.0 | -1.0 | 32.3 | 31.4 | 32.8 | +0.9 | -0.5 | 8.0 | 8.0 | 8.2 | 0.0 | -0.2 |
| Automotive and Service Stations | 36.5 | 36.3 | 35.4 | +0.2 | +1.1 | 23.4 | 23.1 | 22.5 | +0.3 | +0.9 | 5.6 | 5.7 | 5.8 | -0.1 | -0.2 |
| Eating and Drinking Places | 107.7 | 106.3 | 104.0 | +1.4 | +3.7 | 69.1 | 67.7 | 66.1 | +1.4 | +3.0 | 20.1 | 19.9 | 19.7 | +0.2 | +0.4 |
| **Finance, Insurance, and Real Estate** | 95.8 | 95.7 | 93.6 | +0.1 | +2.2 | 77.0 | 76.9 | 75.4 | +0.1 | +1.6 | 11.6 | 11.6 | 11.3 | 0.0 | +0.3 |
| **Services and Miscellaneous** | 414.3 | 413.5 | 398.6 | +0.8 | +15.7 | 280.6 | 279.8 | 270.2 | +0.8 | +10.4 | 75.9 | 75.6 | 73.1 | +0.3 | +2.8 |
| Hotels and Lodging Places | 46.2 | 46.1 | 44.3 | +0.1 | +1.9 | 29.2 | 29.0 | 27.8 | +0.2 | +1.4 | 6.8 | 6.7 | 6.5 | +0.1 | +0.3 |
| Business Services | 76.2 | 76.2 | 74.9 | 0.0 | +1.3 | 61.2 | 61.0 | 60.5 | +0.2 | +0.7 | 10.3 | 10.3 | 10.1 | 0.0 | +0.2 |
| Health Services | 102.9 | 102.3 | 98.1 | +0.6 | +4.8 | 66.4 | 66.1 | 63.6 | +0.3 | +2.8 | 22.5 | 22.2 | 21.1 | +0.3 | +1.4 |
| **Government** | 274.7 | 271.0 | 262.4 | +3.7 | +12.3 | 142.5 | 140.4 | 135.0 | +2.1 | +7.5 | 58.1 | 57.2 | 56.6 | +0.9 | +1.5 |
| Federal | 47.1 | 47.1 | 45.7 | 0.0 | +1.4 | | | | | | | | | | |

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

## Non-metropolitan Counties
## Labor Force and Employment
## November 1990

| | Apache | Cochise | Coco-nino | Gila | Graham | Green-lee | La Paz |
|---|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE* | 14,675 | 36,625 | 45,700 | 12,975 | 8,400 | 3,000 | 6,100 |
| Total Unemployment | 2,275 | 2,625 | 3,050 | 1,200 | 550 | 225 | 400 |
| Rate | 15.5% | 7.2% | 6.7% | 9.2% | 6.5% | 7.5% | 6.6% |
| Rate (Seas. Adj.)** | 18.0% | 7.3% | 6.9% | 9.5% | 7.0% | 7.7% | 6.4% |
| Total Employment | 12,400 | 34,000 | 42,650 | 11,775 | 7,850 | 2,775 | 5,700 |

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 15,200 | 26,775 | 43,825 | 11,650 | 5,600 | 3,025 | 4,100 |
| Manufacturing | 600 | 1,225 | 3,500 | 1,550 | 225 | 25 | 275 |
| Mining & Quarrying | 50 | 175 | 300 | 1,325 | 0 | 1,775 | 75 |
| Construction | 400 | 700 | 1,950 | 275 | 175 | 125 | 225 |
| T.C.P.U. | 1,925 | 1,850 | 2,650 | 500 | 175 | 50 | 150 |
| Trade | 1,875 | 5,700 | 10,050 | 2,650 | 1,400 | 225 | 1,275 |
| F.I.R.E. | 475 | 675 | 700 | 300 | 125 | 25 | 100 |
| Services & Misc. | 4,650 | 5,150 | 11,375 | 2,225 | 900 | 150 | 1,075 |
| Government | 5,225 | 11,300 | 13,300 | 2,825 | 2,600 | 650 | 925 |

| | Mohave | Navajo | Pinal | Santa Cruz | Yavapai | Yuma |
|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE* | 37,725 | 28,900 | 38,675 | 12,325 | 41,050 | 60,450 |
| Total Unemployment | 2,275 | 3,200 | 2,950 | 2,025 | 2,000 | 10,075 |
| Rate | 6.0% | 11.1% | 7.6% | 16.4% | 4.9% | 16.7% |
| Rate (Seas. Adj.)** | 6.0% | 12.2% | 8.1% | -13.9% | 5.2% | 23.4% |
| Total Employment | 35,450 | 25,700 | 35,725 | 10,300 | 39,050 | 50,375 |

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

| | | | | | | |
|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 27,725 | 22,900 | 30,875 | 11,375 | 29,425 | 29,525 |
| Manufacturing | 2,650 | 2,000 | 4,200 | 1,025 | 2,250 | 2,825 |
| Mining & Quarrying | 50 | 1,175 | 3,650 | 0 | 950 | 75 |
| Construction | 3,250 | 1,375 | 450 | 350 | 2,675 | 1,300 |
| T.C.P.U. | 1,225 | 1,600 | 1,100 | 775 | 1,100 | 925 |
| Trade | 8,550 | 4,425 | 5,925 | 4,975 | 8,000 | 8,525 |
| F.I.R.E. | 1,275 | 425 | 850 | 300 | 975 | 975 |
| Services & Misc. | 6,225 | 5,275 | 4,750 | 2,050 | 7,325 | 6,750 |
| Government | 4,500 | 6,625 | 9,950 | 1,900 | 6,150 | 8,150 |

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

## Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Nov.* 1990 | Oct. 1990 | Nov. 1989 |
| Manufacturing | 425.49 | 416.70 | 422.35 | 40.6 | 40.3 | 41.9 | 10.48 | 10.34 | 10.08 |
| Aircraft & Missiles | 679.58 | 651.62 | 634.65 | 46.9 | 45.6 | 45.3 | 14.49 | 14.29 | 14.01 |
| Food & Kindred Prod. | 331.13 | 344.16 | 340.38 | 37.8 | 38.8 | 38.9 | 8.76 | 8.87 | 8.75 |
| Primary Metals | 520.58 | 512.45 | 485.45 | 39.2 | 38.3 | 36.5 | 13.28 | 13.38 | 13.30 |
| Machinery | 385.00 | 373.98 | 393.38 | 38.5 | 38.2 | 40.1 | 10.00 | 9.79 | 9.81 |
| Copper Mining | 634.48 | 613.99 | 586.04 | 44.4 | 43.3 | 43.8 | 14.29 | 14.18 | 13.38 |
| Construction | 445.99 | 462.43 | 432.03 | 37.7 | 38.6 | 36.8 | 11.83 | 11.98 | 11.74 |
| Utilities | 717.12 | 736.27 | 695.70 | 43.2 | 44.3 | 43.4 | 16.60 | 16.62 | 16.03 |
| Retail Trade** | 254.55 | 257.75 | 255.64 | 32.1 | 32.3 | 33.2 | 7.93 | 7.98 | 7.70 |
| Wholesale Trade | 400.28 | 390.91 | 379.82 | 38.6 | 38.1 | 38.6 | 10.37 | 10.26 | 9.84 |

## Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Nov.* 1990 | Oct. 1990 | Nov. 1989 |
| Manufacturing | 464.78 | 446.71 | 443.52 | 42.1 | 41.4 | 42.2 | 11.04 | 10.79 | 10.51 |
| Construction | 469.94 | 487.04 | 453.73 | 38.3 | 39.5 | 37.1 | 12.27 | 12.33 | 12.23 |
| Retail Trade** | 267.49 | 265.52 | 267.26 | 32.7 | 32.7 | 33.2 | 8.18 | 8.12 | 8.05 |
| Wholesale Trade | 423.83 | 412.68 | 394.29 | 38.6 | 38.0 | 39.0 | 10.98 | 10.86 | 10.11 |

## Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

| INDUSTRY | AVERAGE WEEKLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE HOURLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Nov.* 1990 | Oct. 1990 | Nov. 1989 | Nov.* 1990 | Oct. 1990 | Nov. 1989 |
| Manufacturing | 376.87 | 354.05 | 377.33 | 38.3 | 36.5 | 38.7 | 9.84 | 9.70 | 9.75 |
| Construction | 388.80 | 395.63 | 384.38 | 35.9 | 36.7 | 37.5 | 10.83 | 10.78 | 10.25 |
| Utilities | 630.94 | 634.54 | 561.82 | 41.4 | 41.5 | 38.8 | 15.24 | 15.29 | 14.48 |

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

## Arizona Labor Force and Employment for Economic Assistance Programs November 1990

| County | Civilian Labor Force | Employment | Unemployment | Rate |
|---|---|---|---|---|
| Statewide | 1,724,694 | 1,634,303 | 90,391 | 5.2% |
| Apache | 14,680 | 12,409 | 2,271 | 15.5 |
| Cochise | 36,622 | 34,008 | 2,614 | 7.1 |
| Coconino | 45,696 | 42,656 | 3,040 | 6.7 |
| Gila | 12,984 | 11,776 | 1,208 | 9.3 |
| Graham | 8,417 | 7,857 | 560 | 6.7 |
| Greenlee | 3,007 | 2,773 | 234 | 7.8 |
| La Paz | 6,106 | 5,694 | 412 | 6.7 |
| Maricopa | 1,066,643 | 1,021,383 | 45,260 | 4.2 |
| Mohave | 37,742 | 35,459 | 2,283 | 6.0 |
| Navajo | 28,891 | 25,688 | 3,203 | 11.1 |
| Pima | 311,460 | 299,164 | 12,296 | 3.9 |
| Pinal | 38,658 | 35,720 | 2,938 | 7.6 |
| Santa Cruz | 12,327 | 10,307 | 2,020 | 16.4 |
| Yavapai | 41,030 | 39,041 | 1,989 | 4.8 |
| Yuma | 60,432 | 50,368 | 10,064 | 16.7 |

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

*(Continued from page 6)*

an additional 90 days — without AFDC — to finish a JOBS program.

**Program Implementation**

Under FII's direction, three Department of Economic Security (DES) divisions — Employment and Rehabilitation Services (DERS), Family Support (DFS), and Social Services (DSS) — will administer the various components of JOBS. DERS will establish JOBS policy, coordinate activities with other state agencies, and act as overall liaison with contractors. DFS will determine who is eligible for and exempt from JOBS; inform AFDC clients about the terms and conditions of the program, as well as refer them to JOBS office sites; and issue benefit payments to families. DSS will administer and authorize child care benefits.

Single-parent AFDC recipients will usually begin or be exempted from JOBS when they sign up for welfare benefits or when their eligibility case is reviewed, which occurs every six months. Additionally, DES hopes to attract a number of volunteers for JOBS through various means — inserts with AFDC checks, TV public service announcements, and community organizations. But probably the most successful route will be through word-of-mouth, says Smalls, who expects that a good percentage of the single-parent JOBS participants will be volunteers.

"Our history with the WIN program shows that as people heard about a program, they walked in the door. I see no reason that this will change," she says. "The dream to be off welfare is a typical dream of an AFDC recipient. If they believe they will actually go to work, you'll get a lot of volunteers."

The Family Support Act established "participation rates"[20] for JOBS programs, which can affect federal funding for state AFDC programs.[21] "Participation" is defined as "taking part in at least one of the state's designated JOBS components (other than orientation, assessment, case management or employability development) for a monthly average of at least 20 hours per week, except for educational components where the client must be making satisfactory progress."[22]

A 1989 study showed that 43 percent of the state's AFDC caseload were potential mandatory participants, with 66 percent living in Maricopa and Pima counties.[23] In addition, Arizona's JOBS plan says an estimated average of 388 single parents

and 811 persons in two-parent families will be *served* each month — as opposed to being a participant — during the program's first nine months of operation.[24] But, Smalls says, because Arizona's AFDC caseload has been increasing at such large rates of late and the JOBS program has just started, it would be difficult at the present to estimate how many AFDC clients will be served or be considered participants during the program's first year of operation.

Much of the basic flow and job preparedness features (e.g., case management, education, skills training) of Arizona's JOBS programs resemble the operation of other work-re-entry programs going on in the state (Pima County ReEntry Program, Central Arizona Shelter Services; see *Arizona LMI Newsletter*, December 1989). And, with few minor exceptions, the single-parent and two-parent programs will operate as illustrated in the "Basic Jobs Client Flowchart" (Figure 2).

Maybe the most critical aspect of the JOBS program will be its case management, Mijea says. Case managers, who will be with clients from start to finish (which includes follow-up for 90 days after a participant takes a job), will: assess participants, develop employability plans, negotiate program-participant agreements, obtain and coordinate required services, monitor service delivery, and evaluate participant progress.

Case managers will play a particularly important role in developing an employability plan — a blueprint of a client's JOBS program — trying to ensure the participant comes up with realistic education and job goals. From the plan, a client will be required to negotiate and enter into a contract specifying the participant's and the state's obligations. If participants fail to meet their objectives or drop out of JOBS, they could lose their AFDC benefits or priority in getting back into the program.[25]

Finally, as mentioned earlier, support services are considered a key facet of JOBS that should provide welfare recipients enough of a cushion to become self-sufficient. Besides child and health care — which are available while enrolled in JOBS and up to 12 months after employment has begun — JOBS participants in Arizona are also eligible for non-recurring training and work expenses.[26] Included in these are: clothing, tools, licenses, dental restoration, optical services, as well as rental assistance for those who are homeless. Also, while in training, clients will be paid $6 a day for expenses related to transportation, lunch, and other incidentals.

Because of JOBS' beefed-up support services, AFDC clients now have one of the best opportunities to get off welfare, Smalls says. And transitional child and health care benefits, she believes, probably will be a key to doing that. "We know people return back to welfare (because) ... they tried to work and pay child care," she says. "We know that others went to work for employers who did not have medical benefits. Based on that they left the job when a medical problem came up for one of the children."

But in the end, Smalls cautions, even with enhanced support services, it will be up to the participants to put forth the effort and make sacrifices to make a successful transition from welfare to self-sufficiency.

"You have to get out there and make your world," Smalls says. "We can give you the skills to get you out there in that world, but I don't know any program that say , 'I'm going to make sure you have enough dollars to take care of you and your family.' "

*For additional information on Arizona's JOBS programs, contact DES' Employment and Training Administration at 542-4016 or Family Investment Initiative at 392-0161.*

***—Brent Fine***
***Arizona LMI Newsletter Editor***

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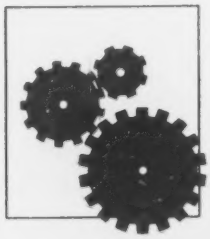
**Notes:**

1. "Welfare demand here soars," story by *The Associated Press*, printed in *Tucson Citizen*, Nov. 30, 1990.
2. Arizona Department of Economic Security, Family Assistance Administration.
3. Arizona Health Cost Containment System, December 1990.
4. Ibid.
5. Ibid.
6. Ibid.
7. "Welfare demand here soars," Associated Press story printed in *Tucson Citizen*, Nov. 30, 1990.
8. Ibid; also, "National Immigration Policy — Local Burden," *Population Environment Balance Report*, July 1990, pp. 1, 4-5.
9. "New Partnerships: Education's Stake in the Family Support Act of 1988," a statement by coalition of public-policy groups, 1989, p9. The groups include the: American Public Welfare Association, Center for Law and Social Policy, Center for the Study of Social Policy, Children's Defense Fund, Council of Chief State School Officers, Institute for Educational Leadership, National Alliance of Business, National Association of State Boards of Education, and National Governors' Association.
10. Ibid, p. 27.
11. Federal funding for JOBS, which states will match at varying rates (not to exceed 50 percent) depending on the service, was expected to be $400 million in federal FY 1990 (Oct. 1, 1990-Sept. 30, 1991), increase to $1 billion in FYs '91-'93; $1.1 billion in FY '94; $1.3 billion by FY '95, then leveling off to $1 billion in FY '96 and subsequent years. This is a dramatic increase from the $126 million Congress allocated for the WIN program in 1987 at a 90/10 federal/state matching rate.
12. "A Pocket Guide to Welfare Reform Legislation — Family Support Act of 1988, The JOBS Program," National Alliance of Business, April 1989.
13. Ibid.
14. Projections from Arizona Department of Economic Security, Office of Budget Policy, Planning and Project Control, December 1990.
15. *JOBS and Supportive Services State Plan*, September 1990, Section 2.5, pp. 1, 1a.
16. Ibid, numerous pages; also, "New Partnerships:

# New Developments

*"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.*

MANUFACTURING — The **city of Glendale** received an early Christmas present when **Luso-America Corp.** announced it will **build a factory** there that will make products ranging from wind turbines to night-lighting towers for golf courses and ski resorts, as well as do research on high-speed helicopters. Luso-America, a subsidiary of Japan-based Luso, has purchased 100 acres near Glendale Municipal Airport for construction of a 360,000-square-foot facility that is expected to employ up to 1,000 workers within five years. Plant construction is expected to begin immediately so that operations can begin by August. Luso-America also plans to build a helicopter-maintenance facility at the airport.



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A Japanese company that makes crystals used in the medical and petroleum fields, as well as for high-energy physics projects, has selected **Tempe** for its first U.S. manufacturing facility. **Horiba Instruments Inc.**, a subsidiary of Horiba Ltd. of Kyoto, Japan, is already operating out of a 12,000-square-foot building at 2520 S. Industrial Park Drive. Horiba will initially employ 30 workers, but expects to expand its work force at set intervals over the next five years.

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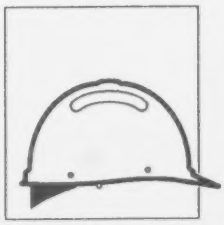
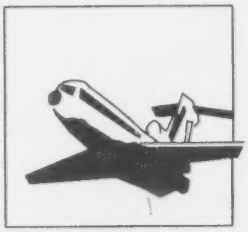
Due to cancellation of federal contracts, **Motorola Inc.'s Government Electronics Group in Scottsdale and Chandler** will **eliminate 400 to 500 jobs** in 1991. The Motorola division, which employs about 7,000 people, will offer a voluntary-severance package that will pay workers a week of salary for each year worked. Motorola's Semiconductor Products Group in Phoenix will not be affected by this layoff.

CONSTRUCTION — The extension of the East Papago Freeway (Loop 101) in the Valley heads a group of road projects in nine counties, which total more than $64 million, recently awarded by the Arizona Department of Transportation. **FNF Construction Inc.** of Tempe, with a bid of $32.[illegible] million, was chosen to complete a series of bridges and on-off ramps on a three-mile corridor of the East Papago Freeway. Other projects include: a $5.5 million to Ralph L. Wadsworth Construction Co. of Salt Lake City to build several structures on the Deck Park over Interstate 10 in Phoenix; and a $5.7 million project awarded to FNF Construction to widen five miles of Maricopa Road in Pinal County.



TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES — **Salt River Project**, the state's second largest utility, which primarily services the Phoenix metro area, announced it will cut expenses by $700 million over the next six years and **eliminate 414 full-time and 263 contract positions**. The planned move follows the implementation of cost-cutting measures and the dropping of 700 jobs in 1990. SRP, which currently has 5,300 employees, cited a need to keep utility rates competitive with the state's largest utility, Arizona Public Service Co.



TRADE — Convenience store chain **Kwik-Stop** expects to add

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Education's Stake in the Family Support Act of 1988," a statement by a coalition of public-policy groups, 1989, Appendix A, p. 23.

17. "Emergency Welfare Work and Employment: An Independent Evaluation of Utah's Emergency Work Program, Third Year Executive Summary, The Social Research Institute, Graduate School of Social Work, University of Utah, Frederick V. Janzen, Ph.D. and Patrick M. Cunningham, M.S.W., December 1987, pp. 1-2.

18. Ibid, p. 1.

19. Ibid, p. 3.

20. In order to receive enhanced federal funding (60 percent or more vs. 50 percent), the Family Support Act of 1988 says 7 percent of the eligible AFDC caseload must be enrolled in the program in federal FY 1990 (Oct. 1, 1990-Sept. 30, 1991), 11 percent in FYs 1992 and 1993, 15 percent in FY 1994, and 20 percent in FY 1995. Also, beginning in 1994, 40 percent of the two-parent families in the state eligible for AFDC must participate in a public service work activity for at least 16 hours per week. The rate increases to 75 percent by 1997.

21. "Currently, Arizona has only applied for 50 percent funding for its state AFDC program.

22. Ibid, p. 25.

23. *Arizona Family Investment Initiative Fact Sheet*, pp. 6-7.

24. " 'Persons to be served' " are those applicants/recipients who the State anticipates will be engaged in *any level* of activity ... and will therefore be a different number from the final yearly participation rate." *JOBS and Supportive Services State Plan*, September 1990, Section 3.2, p. 1.

25. "New Partnerships: Education's Stake in the Family Support Act of 1988," a statement by a coalition of public-policy groups, 1989, Appendix A, p. 24.

26. *JOBS and Supportive Services State Plan*, September 1990, Section 5.3, p. 1.

**three to four stores a year** in the Phoenix metropolitan area, primarily in the northeast and southeast parts of the Valley. Based in Cave Creek, Kwik-Stop currently employs 125 and has annual sales of $27 million.

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Store Wars. The competitive movie-rental business will become even more competitive in the Valley if planned expansion by **West Coast Video** comes to fruition. The Philadelphia-based chain, which has 700 franchise locations (some under the "National Video" name), **wants to have 20 to 25 stores in the Phoenix area within two years**. See you at the movies!

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The recent opening of a refurbished Prescott train station is the beginning of a planned **15-acre retail development between downtown Prescott and Granite Creek**. Called **Depot Marketplace**, the first part of the project, which will open this year, will include a restaurant and retail shops inside the train station, and an Albertson's supermarket and Walgreen's drugstore nearby.

SERVICES — **Scottsdale Memorial Health Systems Inc.**, which operates two hospitals in Scottsdale and employs 3,400 workers, says it will build a 40-acre medical campus in north Scottsdale beginning in two to three years. The multi-million dollar project, which will be located near the Central Arizona Project viaduct, will include office buildings, clinics, a nursing home, an acute-care operation, and possibly a medical mall. In addition, the health-care provider says construction of a 30,000-square-foot medical building at the Scottsdale Memorial-North facility, 92nd Street and Shea Boulevard, will begin next year.

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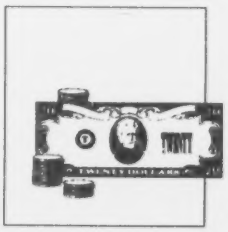
**FHP Health Care**, the third-largest health-maintenance organization in Arizona, plans to **open a medical center in Green Valley**, 20 miles south of Tucson, in January. The Green Valley facility, at 1151 S. LaCanada, is part of multi-million dollar expansion program by FHP that calls for building of four medical centers in Pima and Maricopa counties.

FINANCE, INSURANCE AND REAL ESTATE — **Caliber Bank, Phoenix**, which began operations in Arizona about a year ago, expects to **double its work force of 100** by this spring with the addition of five branch offices and three financial-services companies in the Phoenix area. The financial-services companies, which will operate under the Caliber name, involve mortgage lending, financial leasing, and electronic banking. Caliber, a subsidiary of Valley Capital Corp. of Las Vegas, currently has five branches in the Valley and assets of $225 million.



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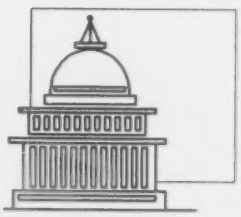
**Sun State Savings & Loan Association of Phoenix**, with its three branches in the state, ceased operations in early December when the Resolution Trust Corp. (RTC) was unable to find a legitimate offer for the failed thrift. **Bank of America Arizona** agreed to service Sun State Savings accounts, which total more than $800 million, while the federal government will sell the rest of Sun State's assets. No information was released on the fate of former Sun State employees.

GOVERNMENT — A slowing economy has adversely affected employment prospects at the state of Arizona and the state's largest city. A $22 million budget shortfall will force the **city of Phoenix to eliminate about 300 positions** in January, the first reduction in force since 1982. The cuts, which will likely hit the police department the hardest, will be accommodated through early retirement and layoffs. The state, meanwhile, has **issued a hiring freeze on all non-federally funded positions** and Governor Mofford has requested agency heads to submit plans for budget cuts up to 7 percent for the current fiscal year, which ends June 30. The state is forecasting more than a $100-million budget deficit for the current fiscal year.



## *Beg Your Pardon*

Some data referenced in a story and table on the projected growth of the Phoenix area, published in the November *Arizona LMI Newsletter*, were incorrectly reported. Figures in a table showing "Total Personal Income," should have been in "millions," not "thousands" of dollars. Also, the text should have said the Phoenix area's total personal income is expected to rise to $48.8 billion in the year 2000 from $34.1 billion in 1988.

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Stories on Arizona's Job Service, expected to be published in this month's *Arizona LMI Newsletter* as a follow-up to a November 1990 *LMI Newsletter* article, will be published in a later issue this year.


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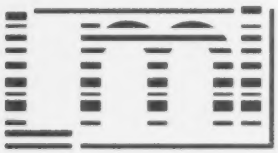

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